

HIGHLIGHTS

WEEK ENDING: NOVEMBER 15, 1991

INDUSTRY WEEKLY VOLUME

- This week's volume of 13.7 billion units was +43% above the industry's estimates seasonally adjusted going rate, -7.3% lower than projected. Sales benefited from fourth quarter price increase programs offered by PM, B&W, American and Liggett this week.

PM WEEKLY VOLUME & SHARE

- This week's volume of 7.9 billion units was +89% above PM's seasonally adjusted going rate. Sales were influenced by strong participation in the second week of PM's two week trade program. During the two week period, after purchasing an initial 150% of an average week, accounts were allowed an additional 150% at the old price.
- Collectively, the trade accumulated 3.7 billion excess units this week, resulting in a cumulative total of 7.8 billion excess units.
- During the two week program, accounts purchased an estimated 91% of the total program offering.
- Sixty-five of the top 100 accounts purchased at or near their maximum allowable allocation during the two week program (at least 95%), including seven of the top ten accounts (Golden, Kroger and Scrivner had participation rates of 65%, 87% and 77% respectively).
- PM's weekly share of 57.4 was significantly above normal and +7.9 points above the corresponding period year-ago, reflecting varying program terms offered by the manufacturers from year-to-year. On a year-to-date basis through this week, PM realized a +1.0 share point gain versus year-ago to 43.1% of total industry.

DEVELOPMENTS

Philip Morris

- The latest InfoScan supermarket data through the W/E 10/27 reports total Marlboro's share at 20.3, down -0.1 points versus week ago, while Medium's share remained stable at 1.2 points.

Competitive

- Supermarket couponing information through 10/8/91 suggests that RJR may be shifting its couponing programs from Full Margin to Price Value brands. Specifically, Winston's couponing support declined, while increases were noted for Doral, Magna and Sterling.
- The latest audit of maxi volume outlets (selling at least 3,000 CPW) through 11/11/91 indicates that in Florida, discounts have increased to \$2.75 on Magna, Sterling and Bristol. Previously, Magna and Sterling had offered a maximum of \$1.75 carton discounts while Bristol's highest discount offer was \$2.50.
- Sources in the wholesale trade report that Lorillard will be launching six new Sub-Generic priced packings of Style nationally in January 1992, its first Sub-Generic entries. The packings, likely to have white tips, are said to include: Lights 100's Soft and Box and Slims Lights Box in both menthol and non-menthol versions. Couponing support for this introduction is to include: \$1.50 off carton, \$0.20 off pack and media delivered free pack offers. Style is currently being tested in New Orleans at Branded Generic prices, with a Retail Audit share of 0.4 and had previously been tested at Full Margin pricing in Hartford with a retail share of less than 0.1.
- Sources in the wholesale trade indicate that American will begin testing a free standing Sub-Generic priced menthol brand (85's and 100's Packings) called Riviera in Detroit (a highly developed menthol market) beginning next week. Test marketing of American's other Sub-Generic entries prior to national introduction has been inconsistent, with Montclair launched after a short one month test, Misty launched after 15 months of testing at various price points and Bull Durham introduced after about six months of limited testing.

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